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E.O. 12958: DECL: 03/03/2019
TAGS: ECON EFIN EINV ETRD TS
SUBJECT: POLITICS RATTLE THE TUNISIAN-AMERICAN CHAMBER OF
COMMERCE

Classified By: Ambassador Robert F. Godec for reasons 1.4 (b) and (d)

Summary

¶1. (C/NF) What was to be a routine Elective General Assembly for the Tunisian-American Chamber of Commerce turned out to be less so when TACC's President, Mondher Ben Ayed, announced he was not running for re-election. Popular among the membership and credited for repairing TACC's broken finances, Ben Ayed cited "health" reasons as the impetus for his departure. A week later, the TACC board, now made up of eleven Tunisian and nine American companies, elected the relatively unknown Nazez Ben Ammar, head of a Tunisian textile company, as the new president. Ben Ayed met privately with the Ambassador and revealed he chose to step down because of the political risks involved in the position.

He said the GOT viewed TACC as a "political organization" because of its role as a Tunisian interface with the U.S. Embassy. Unfortunately, at least one U.S. company is thinking twice about participating in TACC, citing nervousness about how the GOT views the organization. TACC's future plans seem to be business as usual - work on the various committees, strengthening bilateral business relations, and a door-knock lobbying mission to the United States in October. It remains to be seen if new leadership will translate into any change for the role of TACC in Tunisia. End Summary.

TACC's New Board

¶2. (U) On June 18, the Tunisian-American Chamber of Commerce (TACC) held their Elective General Assembly, electing the new 20-member board of the organization. Eleven Tunisian and nine American companies presented themselves as candidates and were unanimously voted in by acclamation from the membership. Among the U.S. companies are Coca-Cola, Citibank, Cisco, and Pfizer (please see complete list of board members in Para 9). TACC is not yet an official American Chamber of Commerce, in part because they do not have a U.S. company president nor do American companies make up half of the board. In 2007, TACC was able to recruit a sizeable number of U.S. companies to the board who had not participated in TACC previously.

¶13. (C/NF) The Elective General Assembly went largely as expected except for the surprise announcement that Mondher Ben Ayed, TACC President, would not run for re-election. He cited "health reasons." From its birth in 1989 until 2007, TACC had only one president, Moncef Barouni. The organization had weathered periods of financial mismanagement and dwindling membership until Ben Ayed was elected. Ben Ayed was instrumental in leading TACC out of their financial woes and into the black again, to the point where TACC is today turning over a considerable profit. Under Ben Ayed's leadership, TACC also expanded U.S. company membership, created an English-language training program, and strengthened ties with the Embassy.

¶14. (C/NF) As soon as Ben Ayed made his announcement, speculation ran rampant as to why he stepped down and who would step into his place. Rym Bedoui (protect), owner of Agora Foods, a food processing plant, privately told the Embassy she was interested in running for the position. She told the Embassy that she had begun lobbying board members for support when Ben Ayed summoned her into his office and urged her to stay on as Secretary General. Bedoui also sought out a meeting with Slim Zarrouk, a well-connected businessman with ties to the GOT, who told her "they" viewed her as too pro-U.S. and that "they" weren't comfortable with her as TACC President for "security reasons." Bedoui took Zarrouk's comments to mean the GOT didn't want someone seen as pro-U.S. leading TACC in the run-up to the October 2009 elections. Bedoui also added that Ben Ayed has strong business ties with Zarrouk.

¶15. (C/NF) On June 25, the new TACC board members convened to vote on their new leadership. Nazez Ben Ammar, owner of a textile company and prior member-at-large on the TACC board, ran for the Presidency unopposed. In a private meeting with the Ambassador, Ben Ayed shared that Ben Ammar had been a safe choice, and the most likely to push TACC forward on its commercial projects. Sami Smaoui, head of Hewlett-Packard in Tunisia, noted the choice of Ben Ammar was odd, in that most TACC presidents had served on the executive board before in some capacity. Ben Ammar paid a courtesy call on the Embassy on July 1 and offered his assurance that cooperation would remain fruitful.

Nervousness About Embassy Involvement

¶16. (S/NF) In his meeting with the Ambassador, Ben Ayed said he stepped down from TACC as a personal choice. Despite the Embassy's purely economic and commercial involvement with the organization, he said the GOT viewed TACC not as a regular chamber of commerce, but as an interface between Tunisia and the U.S. Embassy. Ben Ayed said he defended the Ambassador and the Embassy in face of criticism from "some" in the GOT, but that it was getting "dangerous" for him and the job carried risks.

¶17. (C) Since its inception, the Embassy has had an honorary, non-voting seat on the TACC Board. Although the Embassy had been invited in years prior to count votes in the Executive Board meeting (to elect leadership), this year the Embassy was only invited to the June 18 Elective General Assembly. Smaoui voiced his concern over this at the Executive Board meeting and asked why the Embassy was not invited. Ben Ayed replied that this was TACC internal business and there was no need for the Embassy to be there. TACC did, however, invite the Embassy to their July 6 board meeting and acted as if it was business as usual. In a separate meeting with Econ/Commercial Officer, Sami Smaoui said he was nervous he didn't know exactly how the GOT viewed TACC, and said that he was increasingly disillusioned that TACC was turning into a "Tunisian business organization." If things continued on the current path, he said, he would not run for a spot on the

board again.

Upcoming TACC Activities

¶8. (U) In the July 6 board meeting, Ben Ammar discussed staffing TACC's committees: the Tunisian Company Committee, whose purpose is to promote exports to the U.S.; the US Company Committee, facilitating links with U.S. companies; the Fundraising and Activities Committee; the MENA Council Committee, promoting ties with chambers in other Middle East and North African Countries; and the Legal Committee. TACC is planning a door-knock mission to the United States in October, where it will lobby members of congress and key USG agencies to raise awareness about Tunisia and improve contacts. TACC has asked for Embassy assistance, as in the past, to organize this trip.

TACC 2009-2010 Board

¶9. (U) AMERICAN COMPANIES

- Starz Electronics
- Citibank
- Cisco
- Crown Maghreb Can
- Pfizer
- BST/Coca-Cola
- BMS/UPSA
- Hewlett-Packard Maghreb
- Devonshire Investors

TUNISIAN COMPANIES

- Tunisie Courtage
- Finest Food
- Mami
- AB Consulting
- Maille Fil
- Mazars
- Dahmani Transit International
- Hotel Imperial Marhaba
- Taams
- Hexabyte
- Kallel and Associates

Comment

¶10. (C) Mondher Ben Ayed's resignation is unfortunate but not wholly surprising given the intense political nature of Tunisia in the run-up to the October 2009 elections. Given that the Embassy's engagement with TACC has been solely economic and commercial, the fact that the GOT views TACC as "political" provides insight into the regime and its thinking. Ben Ayed has kept TACC firmly focused on commercial matters, and has done an excellent job rebuilding the organization. Unfortunately, all organizations in today's Tunisia are seen through a political lens. There are two key questions after these latest developments. First, whether they will affect TACC's ability to operate effectively. And, second, whether American companies will conclude they are better off disassociating themselves from TACC to avoid an unnecessary political risk. We will have the answers in due course. In the meantime, however, we believe the TACC election, which should have been simple and straightforward, does not bode well for the organization or for Tunisia. End Comment.

Godec